

30 NOTABLE GREENS ON THE ECONOMIC REFORM OF HENRY GEORGE

Underlying all economic activity is property. Yet underlying ownership is the awareness that the first input into production, natural resources, cannot be possessed by having made them; they can only be claimed. And the claims each conflict with the rights of all. As Suquamish **Chief Seattle** noted in 1854, "How can you buy or sell the sky, the warmth of the land? The idea is strange to us. If we do not own the freshness of the air and the sparkle of the water, how can you buy them? . . . This we know. The earth does not belong to man; man belongs to the earth."

In our era, noted thinker, writer, speaker **Ivan Illich** refers to the environment as "the commons". How can this dilemma—the needs for privacy and for autonomy versus the needs for sharing and sparing Earth—be resolved? Over a century ago an American reformer came up with an answer.

Henry George is the author of the all-time best-seller in English on economics. His 'Progress and Poverty' (1879) has sold into the millions and has been translated into dozens of languages. The book called for shifting all taxes from labour and capital to land. Hence his reform was popularized as "the single tax". After using this collected rent for legitimate social services, the surplus would be disbursed to the citizenry as an equitable dividend. Back in America's 'Era of Reform', George and his proposal were well known and well received. George, an international speaker, was the third most popular American after inventor **Thomas Edison** and satirist **Mark Twain**, who sold tickets at George lectures. But George himself is not so important as his idea and its potential to harmonize economy and ecology. Here's what some greens have said:

One culture that lives in harmony with nature, (1) the **Australian aborigines**, testified at a British Parliament hearing in 1988 "our land claim doesn't take one piece of land from anybody". They wanted whites to recognize the sovereignty over the land and pay rent from which they could restore their culture. This remedy is promoted by the rock group **Midnight Oil**, whose lead singer ran for the Australian Senate as the anti-nuclear party nominee.

- Several Green Parties have endorsed the taxation of land values, including

the first, (2) the **Values Party** of New Zealand, (3) the **Green Party of Finland** and (4) the **Green Party of Scotland**.

- (5) The **British Greens** 'Manifest for a Sustainable Society' (1988) states "Without this (tax on land), the economic pressures of the present land system (including land speculation) will defeat all attempts to remedy ecological and allied problems."
- (6) The **Irish Greens** 'Manifesto' (1989) states "The land tax, used together with energy and other ('sin') taxes (and user fees) as a source of funding of guaranteed basic income, is a means of ensuring that everyone shares in the wealth of the land by virtue of citizenship."
- The platform of (7) the 1990 **California Green Campaign to elect Mindy Lorenz to Congress** called for shifting taxes from production to land, gradually reaching a 10% rate, and for paying a citizens' dividend.

Two proto-green groups stem from George's thinking. The oldest decentralist organization in America, (8) **The School of Living**, which has been publishing **GREEN REVOLUTION** since 1944, promotes George's land tax.

And (9) the **E. F. Schumacher Society's** outreach literature states "In his book 'Progress and Poverty' Henry George shows how the ability to monopolize land . . . can create prosperity . . . and lead to increased poverty . . ."

Several greenish groups have endorsed taxing land's economic value, including (10) **Friends of the Earth – Scotland** (1982), (11) the 1984 **North American Bioregional Conference**, (12) the **Planetary Initiative for the World We Choose**, (13) England's **The Other Economic Summit** (1985), and (14) the **Youth Section of the Brundtland Commission's** second annual (1990) meeting in Bergen, Norway.

In the early '80s, (15) **Ralph Nader's Public Citizen** in its booklet by its Critical Mass Energy Project stated "Reduce taxes on people and increase taxes on nonrenewables".

(16) The **Sierra Club** in 1985 rewrote its land use policy statement to include "Tax laws should be modified to . . . prevent low density sprawl."

- (17) The major environmental

organizations in Washington, D.C. jointly wrote a booklet, 'The Environmental Solution to the Deficit Dilemma' (1986), calling for reversing from loopholes for land exploiters to heavy taxation of land use.

Most recently, (18) the **Worldwatch Institute's** 'State of the World 1991' by Lester R. Brown et al (p.182) explains "Most governments raise the bulk of their revenues by taxing income, profits, and the value added to goods and services. This has the perverse effect of discouraging work, savings, and investment – things that are generally good for an economy. If governments substituted taxes on pollution, waste, and resource depletion for a large portion of current levies, both the environment and the economy could benefit."

Four green authors have endorsed George's idea. (19) **Kirkpatrick Sale**, founder of the New York Green Party and a **NATION** columnist, in his 'Human Scale' (1980) wrote "The Georgist principles provide a way for a community to secure its financial interest in a rational economy of usufruct, . . ."

(20) **Jonathan Porritt** in his 'Seeing Green' wrote "the Liberals have given up trying to get across the ideas of Henry George. And that's a pity . . . the way to break the monopoly of landownership . . . (is) some form of land tax."

(21) **Ernest Callenbach**, author of 'Ecotopia', said in 1988 in private correspondence, "if I'd heard of Georgism before publishing (his classic), I would have incorporated Georgist tax policies into its economic system."

(22) **Robert Gilman** in his magazine **IN CONTEXT** (1984 winter) wrote, "This alternative . . . is most closely associated with Henry George . . . George claimed that his land tax would be sufficient to pay for all the costs of government . . . Could it work? . . . the answer appears to be yes."

(23) San Francisco **CHRONICLE** environmental columnist, **Harold Gilliam** wrote in **THIS WORLD** Sunday supplement (p.17, 1989 Aug 20), "Another way out of the (land) cost dilemma might be to look for some variation on the proposals of that 19th-century San Francisco economist and prophet-ahead-of-his-time, Henry George, author of the classic 'Progress

and Poverty", who had some unorthodox ideas about land-value taxation. Why not a land tax – paid when the land changes hands – to capture some portion of the increase in value resulting from population growth? And why not channel that revenue into incentives for affordable housing?" (Such as untaxing homes?)

(24) Social ecology founder **Murray Bookchin** in 'Remaking Society' wrote "The earth can no longer be owned; it must be shared. Its fruits, including (he adds) those produced by technology and labour, can no longer be expropriated by the few; they must be rendered available to all (and, he adds) on the basis of need." So the efficiency and equity of the idea George is brought back to the unworkable and biased idea of Marx.

(25) Institute for Local Self-Reliance's founder, **David Morris**, in his 'The New City-States' wrote "The discovery that (nature's) electromagnetic spectrum is a major source of wealth comes at a propitious time for municipalities; they have the authority to issue franchises for cable television."

Three green theologians have warmed to Georgism, including (26) **Matthew Fox**, founder creation spirituality, in his 'Spirituality Named Compassion' and (27) **John Hart**, author of 'The Spirit of the Earth' (1984).

(28) **John B. Cobb, Jr.** wrote, (George's) specific proposal about taxation can be supported on the basis of a shared rejection of the idea of land as only a commodity . . . Since this tax would rise as the value of the land rose, or would fall as it fell, there would be no basis for speculation in land . . . farmers would have no reason to oppose zoning that kept taxes on agricultural lands appropriate to the profits that can be realized from farming . . . Whereas a higher tax on buildings encourages holding land unused or allowing buildings to deteriorate, a higher tax on land encourages efficient use of the property."

Two green economists have pointed to socializing ground rent as a way out of our economic morass. (29) World Bank Chief Economist **Herman E. Daly** in his 'Steady-State Economics' (1977) wrote "the windfall rent from higher resource prices would be captured by the government and become public income – a partial realization of Henry George's ideal of a single tax on rent . . ."

(30) Ex-Bank of England economist **James Robertson**, most recently in his 'Future Wealth' (1989), wrote (p.105,6), "The proposal is for a tax on the site-

value of all land, the site-value being the value of any plot or area of land in its unimproved state, i.e. excluding the value of any building on it or other man-made improvements . . . This tax was first proposed by the 19th-century American economist Henry George, who argues – as we do not – that, if it were introduced, no other taxation would be needed at all . . . what we are proposing (is) a shift away from taxing the shadow – the artificial mirror economy of money incomes, value added, profits, capital gains, capital transfers, and so on – to taxing the substance – the real economy in which, when people occupy land, or use and waste natural resources, or pollute the environment, they do so to the exclusion and detriment of others. As a working hypothesis, we should envisage the eventual removal of all taxes on incomes and value added, savings and financial capital – resulting in no personal or company taxes as such, no VAT, and no capital taxes including capital gains or capital transfer taxes . . . Taxes will much more nearly take the form of rents and charges reasonably paid in exchange either for the use of resources that would otherwise be available for other people, or for damage caused to other people."

Institute for Geonomic Transformation.